

GLOBAL SYMPOSIUM FOR REGULATORS 2025 (GSR-25)

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“WHAT DOES IT TAKE FOR REGULATORS TO BECOME DIGITAL ECOSYSTEM BUILDERS?”

(CONTRIBUTION BY MALAYSIA)

1. **FOSTERING INNOVATION IN REGULATORY APPROACHES**

- a. How can regulators cultivate an innovation-driven culture in regulatory work and decision-making?
- b. What new skillsets and mindsets do they need today?

Cultivating an Innovation-driven Culture in Regulatory Work

Globally, regulators are expected to move beyond static rule-making and adopt agile, forward-looking policies that can accommodate the rapid pace of digital innovation. This requires embedding flexibility within policy frameworks, embracing co-regulation, and designing outcome-based regulations rather than prescriptive rules. Regulatory approaches should also anticipate future challenges, facilitate experimentation, and integrate public interest considerations from the outset.

In Malaysia, the Malaysian Communications and Multimedia Commission (MCMC) is advancing policy innovation by adopting a more facilitative regulatory posture. A clear example is the implementation of a **targeted licensing framework for major online platforms**, which came into effect in January 2025. This framework applies to Internet messaging and social media platforms with over eight million users in Malaysia, ensuring accountability for harmful content while preserving space for innovation and freedom of expression.

MCMC also introduced a **Code of Conduct (Best Practice)** to guide platform providers on content moderation and user safety, with particular attention to the protection of children and vulnerable groups. These policy instruments reflect Malaysia's commitment to modern, adaptive regulation that keeps pace with technological change and evolving societal expectations.

MCMC is strengthening Malaysia's cybersecurity infrastructure and fostering innovation through a collaborative approach. The **Information and Network Security Guidelines (INSG)**, introduced in December 2024, sets best practices for enhancing network resilience, enforcing cyber risk governance, and protecting consumers. Though non-mandatory, the INSG encourages board-level oversight, Chief Information Security Officer (CISO) empowerment, and strong protocols for incident reporting, encryption, and third-party risk management.

Cultivating an Inclusive Regulatory Skillset and Mindset

To become effective digital ecosystem builders, regulators must embrace an inclusive mindset grounded in **shared accountability and responsibility**. This means moving beyond a siloed, top-down regulatory model to one where all ecosystem players collaborate to co-create sustainable, inclusive digital outcomes.

Regulators today need to adopt a mindset that is open to co-regulation, where shared responsibility among stakeholders becomes the foundation for more responsive and dynamic policy solutions. MCMC adopts a self-regulation approach, where industry players are encouraged to take greater responsibility in regulating themselves within an established framework or set of guidelines. This approach promotes industry ownership and allows for faster responsiveness to evolving technologies,

market demands, and user behaviors. It also helps to reduce the regulatory burden on the government, enabling resources to be focused on broader policy and enforcement priorities. At the same time, self-regulation fosters a more collaborative relationship between MCMC and stakeholders, built on mutual trust and shared accountability. This approach also supports a regulatory environment where **compliance and innovation can co-exist**, ensuring that the Communications and Multimedia (C&M) industry remains dynamic, responsible, and forward-looking.

For example, MCMC developed and endorsed voluntary codes such as the Content Code (through the Content Forum) and Technical Standards. Industry groups are empowered to administer those codes and handle complaints. MCMC still oversees the process and can intervene when necessary, especially if the self-regulation approach is insufficient or there are breaches of law. Adopting an inclusive mindset and ensuring forward-looking policies that serve all demographics, underpin how regulators design interventions, engage with the public, and build trust in a fast-evolving digital world.

Regulators require a new set of skills to implement this inclusive mindset. A strong example of how Malaysia is cultivating both inclusive mindsets and skillsets is the **MCMC & BlackBerry Cybersecurity Centre of Excellence (CCoE)** in Cyberjaya, established by MCMC in 2024 to serve as a hub for cybersecurity training and talent development. The Centre has launched initiatives like scholarships for women in cybersecurity, certification programmes for underserved communities, and the CyberNext programme, aimed at training 1,000 students and 250 lecturers.

In addition, recognising the rise of online crime, MCMC promotes **inter-agency collaboration** with the Royal Malaysia Police (PDRM), Attorney General's Chambers (AGC), Department of Islamic Development Malaysia (JAKIM), and other ministries. This collaboration ensures that regulatory responses align with legal frameworks and address emerging digital threats such as scams, extremist content, and cyber fraud; thus, reinforcing public trust in digital governance amidst a rapidly evolving landscape.

These efforts reflect MCMC's commitment to driving innovation in digital governance through adaptive policies, technical capacity, and whole-of-government collaboration, ensuring a secure and resilient digital ecosystem.

2. ADAPTING AND ENHANCING REGULATORY CAPACITY

- a. How should regulatory mandates, capacity and decision-making evolve to balance market innovation with digital inclusion and support the achievement of broader social and economic policy goals?
- b. What institutional mechanisms can enhance regulatory responsiveness to emerging digital business models and evolving risks?

Institutional Agility for Balanced Digital Progress

Around the world, regulators are increasingly tasked with enabling innovation while safeguarding inclusive and equitable digital growth. Achieving this balance requires a regulatory environment that promotes fair competition, removes unnecessary market entry barriers, and facilitates the development of new business models. At the same time, regulatory frameworks must continue to uphold broader public interest goals, such as universal access, online safety, and digital empowerment. To succeed, regulators must adopt flexible mandates, build institutional agility, and actively engage with diverse market stakeholders.

Malaysia's regulatory trajectory aligns with this global shift. MCMC is strengthening its regulatory capacity to be more agile and market-responsive. This includes shifting towards anticipatory

policymaking, where emerging trends and technologies are continuously monitored and regulatory approaches are adapted in advance of widespread adoption. These efforts place Malaysia in step with international best practices, ensuring that our digital ecosystem remains open, competitive, and resilient while safeguarding national interest and the rights of users.

Inclusive Governance through Participatory Mechanisms

Institutional mechanisms such as structured public consultation processes play a central role in MCMC's decision-making framework. These processes provide a transparent and inclusive platform for engaging industry players, civil society, and the public. By incorporating diverse perspectives and on-the-ground insights, MCMC can formulate policies that are more balanced, context-sensitive, and aligned with national social and economic priorities. Equally important, MCMC recognizes that capacity building and continuous learning are essential for developing digital literacy and deepening understanding of ethics and governance, thereby enabling MCMC to effectively oversee emerging technologies in a rapidly evolving online environment and to evolve into an agile and forward-looking regulator.

This combination of forward-looking policy development and inclusive engagement enables MCMC to respond more effectively to evolving risks and emerging digital business models, while reinforcing its role in supporting innovation, digital inclusion, and broader developmental goals.

3. HARNESSING TRANSFORMATIVE TECHNOLOGIES FOR REGULATORY EXCELLENCE

- a. How can regulators better leverage Artificial Intelligence, big data, Internet of Things, blockchain and other digital technologies to enhance decision-making, compliance monitoring and regulatory agility?
- b. What technology tools and applications can regulators use to strengthen transparency, stakeholder engagement and public trust in regulatory processes?

In the face of fast-evolving digital landscapes, regulators must be agile in how they **adopt, adapt, and innovate** with emerging technologies. Regulators today are increasingly turning to digital tools to improve responsiveness, transparency, and trust in governance. Technologies such as Artificial Intelligence (AI), big data, and automation can strengthen compliance monitoring, streamline service delivery, and enhance decision-making. Importantly, these tools also allow regulators to engage more meaningfully with citizens and promote accountability through open online platforms.

Leveraging Proven Technologies to Enhance Enforcement and Governance

Adopting technologies like AI, big data, and automation can enhance decision-making, regulatory agility, and enforcement. Building on these capabilities, MCMC is also adapting regulatory tools and enhancing its technological capacity to respond to the changing expectations of users and the industry. To combat harmful online content, misinformation, and digital threats, a key initiative from MCMC includes **Sebenarnya.my**, Malaysia's national fact-checking platform. Sebenarnya.my empowers the public to verify information and discourages the spread of false content, thereby strengthening transparency and user trust.

Moving beyond adoption and adaptation, in January 2025, MCMC launched an innovative, user-friendly tool, **AIFA (Artificial Intelligence Fact-check Assistant)**, which is made available via a portal and WhatsApp and allows users to instantly verify messages, viral content, and claims. As of 15 June 2025, it has processed over 118,000 queries, demonstrating its role in **promoting digital literacy and trust**.

For investigations, MCMC uses advanced tools for profiling digital actors, including behavioral analysis, device correlation, and network tracking. These tools support digital evidence collection, such as disk imaging and metadata extraction, ensuring compliance with legal standards for prosecution.

MCMC has also developed and officially approved the **AI Code of Ethics for the C&M Industry**, which serves as a regulatory “guardrail” to spur responsible AI innovation. The Code provides a voluntary framework that balances regulatory oversight with industry agility, ensuring AI technologies are developed and deployed in ways that protect public interest without stifling innovation.

In addition, applications developed by MCMC, such as **NEXUS** and **JENDELA Map**, are examples of digital tools that enhance service transparency and empower users with real-time data and insights. These tools allow citizens to monitor network quality and check internet coverage, empowering users, fostering transparency, and building an ecosystem where technology is both transformative and inclusive.

MCMC acknowledges that regulatory decisions in the technology domain require careful and deliberate consideration. By integrating these tools and frameworks, MCMC strengthens its enforcement capabilities and ensures a secure, accountable digital environment in Malaysia.

4. CROSS-BORDER COOPERATION FOR BUILDING NATIONAL, REGIONAL AND DIGITAL ECOSYSTEMS

- a. How can regulators leverage regional and international cooperation to foster harmonized regulatory approaches, knowledge exchange and capacity-building?

Building a Standardization Framework for Cross-Border Regulatory Cooperation

As digital services increasingly transcend national borders, a coherent standardization framework has become essential to regulatory effectiveness. Regulators must work together to harmonize policy frameworks, share knowledge, and address shared challenges such as misinformation, data governance, and platform accountability. Regional mechanisms, bilateral engagements, and global standard-setting bodies are instrumental in fostering interoperability, coherence, and mutual trust. Malaysia adopts this approach by anchoring its regulatory cooperation within regional and global standard-setting processes, particularly through the Association of Southeast Asian Nations (ASEAN), Asia-Pacific Economic Cooperation (APEC), Asia-Pacific Telecommunity (APT), and International Telecommunication Union (ITU). With Malaysia as the host of ASEAN Chairmanship 2025, MCMC actively participates in efforts to advance the **ASEAN Digital Economy Framework Agreement (DEFA)**, which will serve as a foundational instrument for regional digital cooperation.

Additionally, Malaysia is leading the development of the **Guideline for the Safe and Responsible Use of Social Media Platforms for ASEAN**. This non-binding regional reference aims to provide shared principles, best practices, and actionable recommendations for governments, platforms, and users. Developed through a consultative, inclusive process with ASEAN Member States, industry stakeholders, and civil society, the initiative supports regulatory harmonization while respecting national contexts.

Malaysia’s accession to the Budapest Convention on Cybercrime and the forthcoming UN Convention on Cybercrime underscore our firm commitment to **fostering a harmonized international regulatory approach** in addressing cyber threats. These instruments serve as a global framework for cooperation, legal alignment, and procedural consistency across borders. By aligning our national laws and practices with international standards, Malaysia is not only strengthening its own cyber governance but also

contributing to greater interoperability and trust among jurisdictions. This international engagement goes beyond domestic capacity-building; it reflects our active participation in knowledge exchange, technical cooperation, and mutual legal assistance, all essential components of a cohesive and resilient global cybersecurity ecosystem. Through these steps, Malaysia aims to bridge gaps between nations, promote common understanding, and support a collective response to cybercrime that transcends national boundaries. This demonstrates our readiness to work with international partners towards a safer and more secure digital future.

These initiatives underscore how regulatory diplomacy and mutual capacity building, grounded in standardization, can serve as the bedrock of trusted and inclusive digital ecosystems. By leveraging such frameworks, regulators can align with global norms while preserving regional priorities, ensuring that digital transformation benefits all, equitably and sustainably.